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BLACKDOME EXPLORATIONS LTD.

ADDENDUM

ORE RESERVES

March 1981

ADDENDUM

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Mr. A.F. Reeve, President of Blackdome Exploration Ltd., requested the authors to make an independent uncut ore reserve calculation for the Blackdome No. 1 Vein and related mineralization.

In the calculation of reserves, it was decided to use the Polygon Method in the plane of the vein (Figure 11). The standard Polygon Method had to be modified because the drilling data are open at depth. Minimum grade was taken to be 3.4 gms/tonne "gold" with "gold" being (gms/tonne Au + $1/35 \times$ gms/tonne Ag) across a minimum of 1.5 m. After this arbitrary assumption, which seemed reasonable to the authors, the gold and silver were calculated separately (Table 1). A specific gravity of 2.6 was used to calculate tonnages. Both diamond drill core assays and trench assays were used in the reserve calculations, but the reserves are considered to be Drill Indicated Reserves.

The assays were not cut in the calculations, and no dilution has been allowed for except to dilute to a minimum mining width of 1.5 m. It is pointed out that dilution will take place because the gold and silver do not occur regularly all across the vein. The prediction of the extent of the resulting dilution during mining will not be made more exact by additional drilling, but must be determined by drifting and raising underground.

Drill Indicated Reserves in the No. 1 Vein total 313,622 tonnes averaging 10.02 gms/tonne Au and 99.8 gms/tonne Ag (345,705 short tons of 0.29 oz/ton Au

and 2.91 oz/ton Ag) across an average horizontal width of 2.32 metres. Included in the above, the South Block from Section 1180 to Section 1247 has 200,206 tonnes averaging 12.48 gms/tonne Au and 94.9 gms/tonne Ag (220,965 short tons of 0.36 oz/ton Au and 2.77 oz/ton Ag) across an average width of 2.52 metres. Less well defined Drill Indicated Reserves calculated from intersections near the No. 1 Vein total 15,218 tonnes averaging 18.79 gms/tonne Au and 182.8 gms/tonne Ag (16,774 short tons of 0.55 oz/ton Au and 5.33 oz/ton Ag) across an average horizontal width of 2.06 metres.

The total Drill Indicated Reserves in the No. 1 Vein plus the less well defined Drill Indicated Reserves total 328,839 tonnes averaging 10.43 gms/tonne Au and 103.62 gms/tonne Ag (362,479 short tons of 0.3 oz/ton Au and 3.0 oz/ton Ag) across an average horizontal width of 2.30 metres.

All polygons appear to designate material in steep veins (52°-80°) except that designated as item 67 on Section 1265.

In all cases, these reserves are open and would be increased by additional work.

P. W. Richardson.

688 - 3584

1.85 (1788.71) =

2309.11

2.04 (1788.71) -

3648.97

3651.20

2.0412

1788.71

TABLE 1 - NO. 1 VEIN ORE RESERVE CALCULATION

TEM	SECTION NO.	HOLE NO.	X-SECTION		LONG SECT. VERT. AREA	VOLUME	@S.G.=2.6 TONNES	Au g/ton	Ag g/ton	GRAMS		**Au EQUIV.
			DIP	WIDTH MIN. HORIZ.						Au	Ag	
1	1180	92	65°	1.85 → 2.04	1788.71	3651.20	9493.13	4.58	4.70	43,478.52	44,617.70	
2	1184	86	52°	1.56 2.00	1187.09	2350.04	6110.11	31.13	31.70	190,207.91	193,690.67	
3	1192	63	58°	1.50 1.77	1004.84	1777.33	4621.05	88.36	224.10	408,316.33	1,035,578.19	
	1-3 incl.			(1.95)	3980.64	778.58	20,224.30	(31.74)	(62.99)	642,002.76	1,273,886.56	33.140
	*			6.40			22,293	.9258	1.837			0.9666
4	1200	52	68°	1.50 1.62	822.58	1330.77	3460.01	7.84	11.64	27,126.45	40,274.47	
5	1200	53	58°	1.84 2.17	1156.45	2509.14	6523.75	6.95	46.85	45,340.09	305,637.86	
6	1204	4	67°	5.98 6.50	403.22	2619.49	6810.68	27.64	97.60	188,247.21	664,722.43	
7	1204	5	60°	1.50 1.73	911.29	1578.40	4103.84	7.19	47.21	29,506.62	193,742.36	
8	1204	6	67°	3.27 3.55	480.64	1707.42	4439.30	12.73	90.10	56,512.35	399,981.33	
9	1208	25	65°	1.50 1.66	1527.42	2527.98	6572.75	1.55	73.64	10,187.77	484,017.59	
10	1208	25	65°	1.50 1.66	1527.42	2527.98	6572.75	4.63	3.02	30,431.85	19,849.72	
11	1210	TR 6	57°	1.58 1.88	482.26	908.55	2362.22	17.49	50.40	41,315.22	119,055.87	
12	1210	76	63°	1.50 1.68	1432.25	2411.18	6269.06	3.48	32.13	21,816.34	201,424.96	
13	1213	22	60°	1.73 2.00	1377.42	2751.57	7154.10	3.97	56.15	28,401.79	401,702.90	
14	1214	21	65°	2.22 2.45	372.58	912.63	2372.85	3.58	22.71	8494.80	53,887.41	
15	1215	TR22	65°	3.20 3.53	348.39	1230.10	3198.26	1.79	25.19	5724.88	80,564.08	
16	1217	20	65°	1.50 1.66	777.42	1286.68	3345.37	8.98	29.47	30,041.45	98,588.16	
17	1218	15	61°	2.36 2.70	514.51	1388.31	3609.61	5.42	7.34	19,564.07	26,494.51	
18	1221	69	53°	1.50 1.88	1125.80	2114.48	5497.65	5.07	3.84	27,873.10	21,110.98	
19	1221	89	51°	4.55 5.85	2416.12	14,145.79	36,779.06	7.68	0.75	282,463.20	27,584.30	
20	1225	TR 1	76°	2.47 2.55	172.58	439.32	1142.24	106.29	209.15	121,408.49	238,899.10	
21	1225	1	76°	1.70 1.75	538.71	943.84	2453.99	68.74	142.63	168,687.43	350,012.92	
22	1230	TR 2	64°	2.35 2.61	261.29	683.17	1776.25	9.60	222.89	17,051.99	395,908.11	
23	1230	12	64°	1.93 2.15	779.03	1672.83	4349.35	8.98	143.09	39,057.19	622,348.91	
24	1230	13	64°	2.76 3.07	1130.64	3471.95	9027.07	26.07	978.75	235,335.60	8,835,240.26	
25	1230	61	66°	1.50 1.64	567.74	932.20	2423.73	2.96	199.80	7174.24	484,260.92	
26	1232	38	61°	4.09 4.68	870.97	4072.93	10,589.63	7.77	32.93	82,281.39	348,716.36	
27	1232	57	61°	2.47 2.82	811.29	2291.15	5956.99	1.39	85.67	8280.22	510,335.68	
28	1237	7	60°	1.53 1.77	148.39	262.16	681.61	57.69	412.08	39,322.34	280,879.68	
29	1237	9	60°	1.50 1.73	561.29	972.18	2527.68	22.33	60.22	56,442.99	152,216.61	
30	1239	39	53°	2.46 3.08	1109.67	3418.07	8886.97	4.10	12.00	36,436.57	106,643.63	

TABLE 1 - NO. 1 VEIN ORE RESERVE CALCULATION (Continued)

ITEM	SECTION NO.	HOLE NO.	X-SECTION		LONG SECT.		@S.G.=2.6 TONNES	Au g/ton	Ag g/ton	GRAMS		**Au EQUIV.
			DIP	WIDTH MIN. HORIZ.	VERT. AREA	VOLUME				Au	Ag	
31	1244	TR 4	60°	3.71 4.28	274.19	1174.61	3053.99	2.98	97.32	9100.90	297,214.74	
32	1244	11	64°	1.50 1.67	1053.22	1757.72	4570.08	11.29	10.73	51,596.17	49,036.93	
33	1244	11	64°	1.50 1.67	1053.22	1757.72	4570.08	4.98	5.21	22,758.98	23,810.10	
34	1247	44	62°	1.94 2.20	1558.06	3423.35	8900.70	12.14	213.50	108,054.54	1,900,300.18	
	4-34 incl.			(2.61)	26,566.06	69,223.69	179,981.64	(10.31)	(98.54)	1,856,036.20	17,734,463.05	12.500
	*			8.54			198,394	.3007	2.874			0.3646
	1-34 incl.			(2.52)	30,546.70	77,002.28	200,205.94	(12.48)	(94.94)	2,498,038.96	19,008,349.61	14.587
	*			8.26			220,965	.3639	2.769			0.4255
35	1255	40	64°	3.13 3.48	1040.32	3622.86	9419.43	4.15	243.08	39,090.62	2,289,674.11	
36	1260	78	67°	1.50 1.63	1100.00	1792.49	4660.49	0.16	168.52	745.68	785,385.10	
37	1265	83	60°	1.50 1.73	1869.35	3237.81	8418.30	6.45	26.40	54,298.06	222,243.22	
38	1265	83	60°	1.50 1.73	1869.35	3237.81	8418.30	5.10	34.32	42,933.35	288,916.19	
39	1275	TR19	69°	1.98 2.12	458.06	971.48	2525.86	6.17	273.70	15,584.55	691,327.71	
40	1292	34	75°	1.50 1.55	1370.96	2128.98	5535.36	2.78	47.93	15,388.29	265,309.65	
41	1292	98	79°	1.50 1.53	1725.80	2637.15	6856.59	3.79	5.22	25,986.49	35,791.43	
42	1303	8	58°	1.92 2.26	548.39	1241.57	3228.08	26.40	230.74	85,221.18	744,846.03	
	35-42 incl.			(1.89)	9982.23	18,870.16	49,062.41	(5.69)	(108.50)	279,248.23	5,323,493.45	8.101
	*			6.20			54,081	.1660	3.165			0.2363
	1-42 incl.			(2.37)	40,528.93	95,872.44	249,268.35	(11.14)	(118.97)	2,777,287.19	29,655,336.51	13.786
	*			7.76			274,769	.3250	3.470			0.4021
43	1328	28	71°	1.50 1.59	638.71	1013.27	2634.50	5.31	8.23	13,989.20	21,681.94	
44	1328	28	71°	1.50 1.59	638.71	1013.27	2634.50	4.37	8.16	11,512.77	21,497.52	
45	1328	29	71°	1.50 1.59	1061.29	1683.66	4377.52	1.41	39.35	6172.31	172,255.60	
46	1334	SSTR	75°	1.51 1.56	509.68	796.77	2071.59	3.43	Tr.	7105.56	0.00	
47	1336	SSTR	74.5°	1.67 1.73	412.90	715.57	1860.48	11.65	58.28	21,674.55	108,428.57	
48	1337	24	74°	3.86 4.02	1317.74	5291.46	13,757.79	3.46	14.98	47,601.96	206,091.73	
49	1338	SSTR	74.5°	2.49 2.58	70.97	183.38	476.80	9.22	40.11	4396.10	19,124.48	
50	1338	23	75.5°	1.56 1.61	372.58	600.35	1560.90	7.20	24.00	11,238.50	37,461.67	
51	1339	SSTR	74.5°	1.94 2.01	119.35	240.28	624.72	12.00	61.70	7496.67	38,545.36	
52	1340	SSTR	75°	2.36 2.44	120.97	295.56	768.46	15.43	85.70	11,857.28	65,856.72	
53	1340	SS 5	75°	1.50 1.50	762.90	1184.72	3080.27	5.31	31.96	16,356.22	98,445.35	

TABLE 1 - NO. 1 VEIN ORE RESERVE CALCULATION (Continued)

TEM	SECTION NO.	HOLE NO.	X-SECTION			LONG SECT.		@S.G.=2.6 TONNES	Au g/ton	Ag g/ton	GRAMS		
			DIP	WIDTH		VERT. AREA	VOLUME				Au	Ag	**Au EQUIV.
				MIN.	HORIZ.								
54	1341	SSTR	74.5°	2.20	2.28	162.90	371.91	966.96	9.26	54.85	8954.01	53,037.52	
55	1342	SSTR	75°	1.50	1.55	146.77	227.92	592.60	5.85	48.77	3466.88	28,900.87	
56	1343	SSTR	74°	1.62	1.69	122.58	206.58	537.11	6.86	65.13	3684.60	34,982.22	
57	1344	SSTR	75°	2.65	2.74	187.10	513.31	1334.59	6.51	68.56	8688.21	91,499.78	
58	1345	SSTR	74.7°	2.82	2.92	133.87	391.39	1017.60	10.28	61.70	10,460.94	62,786.00	
59	1346	SSTR	73.75°	1.50	1.56	64.52	100.81	262.10	6.50	6.50	1703.64	1703.64	
60	1346	SS 3	73.75°	1.50	1.56	1175.80	1837.09	4776.44	7.90	43.97	37,733.87	210,020.04	
61	1346	90	80°	2.78	2.82	1585.48	4475.63	11,636.64	4.84	10.47	56,321.32	121,835.58	
62	1346	94	80°	1.80	1.83	1256.45	2296.50	5970.90	8.05	3.00	48,065.72	17,912.69	
63	1349	SSTR	74.5°	1.94	2.01	651.61	1311.83	3410.77	7.83	66.18	26,706.32	225,724.69	
	43-63 incl.				(2.15)	11,512.88	24,751.24	64,353.24	(5.67)	(25.45)	365,186.44	1,637,791.98	6.24
	*					7.05		70,937	0.1654	0.742			0.1820
	1-63 incl.				(2.32)	52,041.81	120,623.68	313,621.59	(10.02)	(99.78)	3,142,473.63	31,293,128.49	12.237
	*					7.61		345,705	0.2920	2.910			0.3569

Possible Additional Reserves on Structures Near No. 1 Vein

54	1184	86FW	52°	1.84	2.33	1187.09	2771.85	7206.80	21.85	10.50	157,468.65	75,671.44	
55	1247	43FW	74°	1.62	1.69	491.93	829.04	2155.51	3.33	52.00	7177.85	112,086.52	
56	1260	78HW	70°	1.50	1.60	975.80	1557.64	4049.86	3.79	108.48	15,348.96	439,328.40	
		(Flat Vein)			(Vert)								
57	1265	84HW	15°	3.81	3.81	182.26	694.41	1805.47	58.68	1193.48	105,944.84	2,154,789.42	
	64-67 incl.				(2.06)	2837.08	5852.94	15,217.63	(18.79)	(182.81)	285,940.29	2,781,875.78	22.85
	*					6.76		16,774.40	0.5480	5.332			0.6665
	1-67 incl.				(2.30)	54,878.89	126,476.62	328,839.22	(10.43)	(103.62)	3,428,413.92	34,075,004.27	12.729
	*					7.55		362,479	0.3041	3.022	110,227.75	1,095,553	0.3713

Width in Feet, Weight in short dry tons, Grades in Troy Ounces/S.D.T.

*Value of gold (Au) taken @ silver (Ag) x 45